



Office of Inspector General
U.S. Department of State
and the
Broadcasting Board of Governors

MONTHLY REPORT OF **ACTIVITIES**

audits, inspections, testimony, and special activities

January 2000

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

Congressional and Outreach Activities

Association of Government Accountant's Annual Leadership Conference

On January 27, the Inspector General made a presentation at the Association of Government Accountant's Annual Leadership Conference on performance measures and what can be done to make them more trustworthy. The IG discussed the role of agencies and offices of inspector general in performance measurement, including the obstacles they face in collecting and analyzing data. She then discussed her own office's approach to assessing the Department of State's performance planning, and data collection and analysis efforts.

Distinguished Federal Leadership Award

On January 28, Inspector General Williams-Bridgers received the Distinguished Federal Leadership Award at the Association of Government Accountants 11th Annual Leadership Conference held in Washington D.C. Ms. Williams-Bridgers was recognized for promoting excellence in the financial management oversight of Federal agencies by the Inspector General community and distinction in promoting auditing standards and accountability in governments around the world.

Reports Issued by the Office of Audits

Audit of the International Joint Commission's 1998 Principal Financial Statements **(00-FM-006)**

OIG audited the International Joint Commission's (IJC) 1998 Principal Financial Statements in order to obtain reasonable assurance and express an opinion on whether the financial statements were free of material misstatement, to determine whether IJC had an internal control structure that provides reasonable assurance of achieving internal control objectives, and whether IJC complied with applicable laws and regulations.

OIG issued an unqualified opinion on IJC's 1998 Principal Financial Statements, which means the financial statements were free of material misstatements. Although an unqualified opinion was issued for the 1998 Financial Statements, the report brings to management's attention concerns with security over the Department of State's main frame computers and the inadequacy of its financial and accounting system, which is both an internal control weakness and an issue of noncompliance with several laws and regulations, including the Budget and Accounting Act of 1950, the Federal Managers' Financial Integrity Act, and the Chief Financial Officers Act. Because IJC uses the Department of State's accounting system, these problems affect IJC's financial reporting.

Reports Issued by the Office of Inspections

The Office of Inspections issued no reports in January.

Other OIG Reports

Review of FY 1999 Emergency Supplemental Appropriations (00-OIG-001)

Overall, OIG found that the Department has provided senior level attention and management of resources to improve overseas security. The direct involvement of the Under Secretary for Management and the Security Oversight Board has provided focus for the overseas security enhancements and fostered coordination among the different bureaus.

The Department has established systems capable of appropriately accounting for and managing Emergency Supplemental Appropriations (ESA) funds obligated and liquidated domestically. However, reports on domestic program funds obligated to date are overstated because they include significant amounts (\$76 million) transferred to overseas posts that are not obligations for goods and services. Additionally, the account coding structure the Department implemented is complex and confusing.

The Department is making considerable progress in filling the 391 new security positions established under ESA. When hired, the new personnel should help address the staffing shortages to support overseas security.

Despite the pressure to procure ESA goods and services quickly, the Department has followed applicable procurement and property management regulations. Most post officials were satisfied with the Department's response to requests for funding for post-proposed ESA-related procurement, construction projects, and expanded guard services. However, post officials indicated information gaps existed on some ESA-funded programs and projects. To best implement these programs, they recommended better communications with headquarters program elements and regional bureaus.

The current facilities for Embassies Dar es Salaam and Nairobi are more secure than at the time of the August 7, 1998, bombings. However, both embassies still had vulnerabilities that needed to be addressed at the time of the May 1999 security evaluation. Embassy Dar es Salaam lacked sufficient emergency electrical power for security systems such as exterior security lights, alarms, and vehicle barriers. Embassy Nairobi needed to strengthen the large glass windows in the front of the interim chancery building and provide a secondary exit point from the compound. The Department has reported action to correct many of these deficiencies.

Reports Issued by the Office of Security and Intelligence Oversight

During this reporting period, the following OIG security oversight inspections were completed: Embassy Dakar, Senegal; and Embassy Paris, France, and U.S. Mission to the Organization for Economic Cooperation and Development, Paris, France.